



## DEFENSE FINANCE AND ACCOUNTING SERVICE

1931 JEFFERSON DAVIS HIGHWAY  
ARLINGTON, VA 22240-5291

JUL 20 1998

MEMORANDUM FOR ASSISTANT SECRETARY OF THE ARMY (FINANCIAL  
MANAGEMENT AND COMPTROLLER)  
ACTING ASSISTANT SECRETARY OF THE NAVY (FINANCIAL  
MANAGEMENT AND COMPTROLLER)  
ASSISTANT SECRETARY OF THE AIR FORCE (FINANCIAL  
MANAGEMENT AND COMPTROLLER)  
DIRECTORS OF THE DEFENSE AGENCIES

SUBJECT: General Services Administration (GSA) Payment Process

The Defense Finance and Accounting Service (DFAS) and GSA have been working together to solve the chronic payment delinquencies for GSA services' billings. We made process changes in the payment of GSA Information Technology (IT) Solution bills that were effective July 1, 1998. However, a major issue we face in timely processing of the IT Solution bills is adequate accounting information received from GSA.

The information is provided to GSA on Military Interdepartmental Purchase Request (MIPR), DD Form 448, or other order forms used. To ensure the data received by GSA, and subsequently provided to DFAS, is complete and accurate, we request your assistance in providing the required data on the order. We have identified the key financial data elements on the order that we need to process the IT Solution bills. GSA will verify these data elements and reject orders with missing or incorrect data.

Attached is a brief description of the information required on the orders and the On-Line Payment and Collection payment process.

Your assistance is greatly appreciated. Our point of contact for this matter is Mr. Jack Foust at DSN 327-5030 or (703) 607-5030.

Processing of General Services Administration (GSA)  
Information Technology (IT) Solutions Billings

These procedures govern purchases made by and chargeable to Department of Defense (DoD) Activities under the General Services Administration (GSA) Information Technology (IT) Solutions program. FAST IT bills issued prior to implementation of this directive will be paid by Defense Finance and Accounting Service Kansas City Center (DFAS-KC/ACR) in accordance with previously established procedures.

1. a. The ordering activities within the DoD components place orders with the GSA through the use of a Military Interdepartmental Purchase Request (MIPR) or equivalent order document (the order). The order must contain the complete Line of Accounting (LOA) and an order number. This LOA and order data will be provided to the DFAS payment location via the GSA Paid Billing Statement. Completeness and accuracy of the data on the order are very important. If the LOA data is not correct, it is a DoD responsibility to make correction.

b. The GSA agrees to validate part of the LOA, as a condition of accepting the order. The DFAS will provide the edit criteria for the GSA validation. The GSA has been provided an initial listing of valid appropriation account codes and AAA/FSN codes. It is the responsibility of the DFAS to keep the GSA informed of changes.

2. The existing Department of Defense Activity Address Codes (DoDAAC) will be used by the GSA as its Billed Office Address Codes (BOAC). The DoDAACs will be used to direct the charges to the appropriate DoD paying location. The BOACs will be provided to the GSA as needed by each Center/OPLOC. Additional DoDAACs will be provided by each Center directly to the GSA. No unique billing or accounting office address codes shall be developed. The DFAS Centers or OPLOCs shall provide the DoDAACs to their customers as well as to the contracting and logistics community. Send E-Mail requests for establishing or changing DoDAACs at the GSA to FW-BOACREQ.FINANCE@gsa.gov or call (817) 978-6108.

Each GSA Paid Billing Statement (PBS) has two address fields, an Agency Location Code (ALC) which is the address for the specific DSSN and an ordering office address for the location placing the order. If 25 locations order and all the orders are to be paid by the same DSSN, then there will be 25 different ordering activity DoDAACs (BOACs) but, all 25 orders will have the same ALC/DSSN address.

The Centers' and OPLOCs' DoDAACs (BOACs) have been assigned to start the process. The addressees of the payment office that will be the recipient of the monthly GSA PBS and those addresses will print on the left side of the Statement. The address on the right side of the Statement will be the name and address of the ordering activity. Where no ordering activity is specified to the GSA, the orders will be rejected by the GSA. Centers may wish to retain a "default" DoDAACs (BOACs) to accommodate very infrequent orders from various locations or may wish to assign them to a specific ordering activity. However, to facilitate prompt recording of the OPAC charges, Centers are encouraged to establish at least one DoDAAC (BOAC) for each AAA/FSN/ADSN.

When processing an IT Solutions order from the DoD activity, the GSA is responsible for verifying that the order cites a specific/valid, registered DoDAAC (BOAC). Smooth payment processes depend upon the DFAS Centers successfully instructing their customers to use the correct DoDAAC (BOAC) on all future orders.

3. If the GSA does not accept the order, it will be returned to the ordering activity for correction or cancellation. If the GSA accepts the order, GSA will return the acceptance DD Form 448-2 or equivalent to the ordering activity. Failure to promptly record obligations will result in future rejection of the GSA billing. Rejection of billings will result in cessation of the GSA services for the ordering activity.

4 The DFAS will establish an umbrella trading partner agreement (TPA) with the GSA, Ft. Worth. Centers may add unique requirements to the TPA via addendum. Addends may not change any of the basis provision of the umbrella TPA.

5. The GSA will prepare a bill/invoice for the products/services ordered. The bill will identify the order and LOA associated with

(ALC), 47-00-0017, from the DSSN of each of the billed offices. The OPAC collection will be in a single sum for the month.

b. The PBS contains the necessary billing data to support the sum charged. The PBS will be provided by GSA to the billed office before or at the same time the OPAC collection is processed.

c. It is the policy of the DFAS that paper copies of the order or individual bills will not be required by the DFAS or provided by the GSA for routine billings. The only required documentation is the PBS. A copy of the order may be requested on an exception basis only. The point of contact for such requests is the GSA OPAC representative as shown on the PBS.

7. The charged sum will be recorded by the DFAS as a deferred voucher on the Daily Statement of Accountability, Standard Form 2657, line 7.1. As the charges are recorded in the specific LOAs, the amount of the deferred voucher will be reduced accordingly. Charges which cannot be processed to a LOA during the month will be recorded as deferred vouchers on the Statement of Accountability, Standard Form 1219, line 7.1. These charges will be processed to the proper LOA by the end of month after the month received they will be charged back to the GSA.

It is the policy of the DFAS that the GSA IT Solutions billings will be prevalidated prior to recording the disbursement. Prevalidation procedures are left to the Centers, so long as those procedures do not result in carry over balances in the Disbursing Officer's Accountability as deferred vouchers beyond the end of the second month after receipt of the charge from the GSA. The PBS items that cannot be identified to specific obligations by the end of the month following the month received will be charged back to the GSA.

MEMORANDUM OF UNDERSTANDING  
BETWEEN  
GENERAL SERVICES ADMINISTRATION  
AND  
DEFENSE FINANCE AND ACCOUNTING SERVICE

The General Services Administration (GSA) and the Defense Finance and Accounting Service (DFAS), on behalf of the Department of Defense (DoD), enter into the following Memorandum of Understanding (MOU).

I. PURPOSE AND GENERAL OPERATIONS

The purpose of this MOU is to improve the payment of GSA Information Technology (IT) Solutions (also known as FAST-IT) invoices. Beginning with the execution of this MOU, GSA invoices under the IT Solutions program shall be directed to the appropriate DFAS Center or Operating Location (OPLOC) responsible for making payments for the DoD ordering activity. Billing and payment shall be processed through the On-Line Payment and Collection (OPAC) System. FAST-IT invoices for orders placed prior to execution of this MOU will continue to be handled by the DFAS Kansas City Center, Agency Reconciliation Division.

II. EFFECT ON PRIOR AGREEMENTS

The MOU executed September 5, 1996, dealing with the GSA FAST program is superseded on execution of this MOU.

III. Authority and Governing Law

The authority for both agencies to enter into this agreement is found in 31 U.S.C. 1535.

1) The GSA will respond within five business days to requests for assignment of new or changed DoDAACs (BOAC).

2) The GSA will validate the DoD lines of accounting by assuring that a valid (1) the DoD Treasury index code, (2) the DoD appropriation symbol, (3) fiscal year indicator, and (4) fiscal station/authorized accounting activity code is cited on the MIPR or other ordering document. DFAS will provide the GSA access to expenditure edit data to validate the financial information provided. GSA will not accept an order that fails to cite a valid code combination based on the criteria provided by DFAS.

b. The GSA Greater Southwest Finance Center, Fort Worth, Texas, is the GSA focal point for all invoices under the IT Solutions program.

1) Once a month, the GSA will initiate an OPAC charge from its Agency Location Code (ALC), citing the DoD billed office ALC. The billing cycle will be between the 1st and 5th of every month. The DoD billed office ALC is the Disbursing Station Symbol Number (DSSN). The OPAC collection will be in one sum for each DSSN for the month. The GSA will provide a PBS to provide the data necessary to record the charges in the appropriate DoD accounting systems. The GSA will send the PBS by email to the DFAS disbursing location's OPAC Point of Contact, before or at the same time as the OPAC collection is processed.

The PBS will cite the (1) BOAC (DoDAAC) charged, (2) MIPR or order number on the ordering document, (3) complete the DoD Line of Accounting (LOA), (4) amount billed for each order, (5) partial or final billing indicator, and (6) a brief description of the charges.

c. The GSA will resolve within 60 days of notification any

d. Credits by the GSA will be submitted as separate lines on the monthly OPAC PBS. The PBS will provide all information as originally provided on the payment transaction credited.

e. Trading Partner Agreements (TPA). The DFAS uses TPAs to document OPAC agreements. The DFAS HQ will execute an umbrella TPA to cover all general requirements. The paying locations will provide local data requirements to the GSA as addenda to the umbrella TPA.

#### V. DFAS RESPONSIBILITIES

a. The DFAS will provide to GSA a list of codes identifying each DFAS paying and accounting activity. The DFAS will provide the Department of Defense Activity Address Code (DoDAAC) for GSA use as the Billed Office Account Code (BOAC). Centers and OPLOCs will provide to the GSA a list of DoD activities (along with their DoDAACs) serviced by that Center or OPLOC on request.

b. The DFAS will provide information and instructions to the DoD ordering activities on the proper procedures to follow under this MOU. This includes informing the ordering activity of the ALC of its servicing DFAS office, instructing the ordering activity to include this ALC in the "bill to" location position of the MIPR, ensuring the correct LOA is on the order, and that the DoD ordering activity is responsible for resolving any discrepancies related to goods or services received or amounts billed and paid directly with the GSA.

c. The DFAS will provide and maintain the criteria GSA will use to edit the LOA information provided by the DoD customers.

d. Each DFAS Center and OPLOC will process the monthly OPAC charge and post the disbursement to the appropriate LOA cited in the GSA PBS.

office that accepted the order. An adjustment, replacement or credit will be agreed upon between the GSA and the ordering activity.

f. The DFAS will record the single monthly billing as a deferred voucher on the Daily Statement of Accountability, Standard Form 2657, line 7.1. As the charges are recorded in the specific LOAs, the amount of the deferred voucher will be reduced accordingly. Charges which cannot be processed to a LOA during the first month charged will be recorded as deferred vouchers on the Statement of Accountability, Standard Form 1219, line 7.1. If the charges cannot be processed to the proper LOA by the end of month after the month received, they will be charged back to the GSA.

g. The DFAS will track activities that do not provide timely obligations. If activities continue to have problems properly and timely recording their obligations, DFAS will report this information to GSA and request that future orders be rejected.

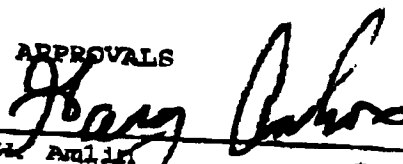
h. The DFAS will provide OPAC tracer numbers and invoice numbers as needed for the GSA to properly apply the DoD payments in the GSA financial records on request.

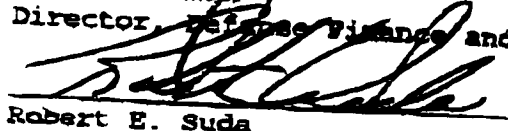
i. The DFAS will not accept a bill for processing if received at the paying location after the 5th of the month unless approved by both parties.

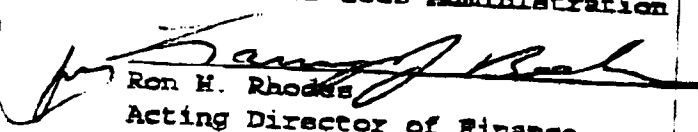
## VI. MODIFICATION AND TERMINATION

Either party may request and initiate modifications to this MOU by giving at least 90-day written notice. Such requests will be negotiated and agreed upon between both parties before being added as an addenda to this MOU. All modifications must be in writing. The MOU may be terminated with 90-day notice.

VII. APPROVALS

  
\_\_\_\_\_  
Gary W. Anliin  
Director, Defense Finance and Accounting Service - Headquarters

 5/26/98  
\_\_\_\_\_  
Robert E. Suda  
Chief Financial Officers  
Federal Technology Service  
General Services Administration

  
\_\_\_\_\_  
Ron H. Rhodes  
Acting Director of Finance  
General Services Administration